

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 HEW-06 CIAE-00 DODE-00

INR-07 NSAE-00 PA-02 USIA-15 PRS-01 SP-02 L-03

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R 201608Z MAY 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 4772

INFO USMISSION EC BRUSSELS

UNCLAS ROME 8369

E.O. 11652: N/A

TAGS: ECON IT

SUBJ: PHARMACEUTICAL PRICE CONTROLS

RE: ROME 4532

1. OFFICIAL GAZETTE OF MAY 14 PUBLISHED DECREE-LAW NO. 186 OF MAY 2, 1977 PROVIDING FOR (A) NEW METHOD OF DETERMINATION OF PHARMACEUTICAL PRICES BASED ON CRITERIA ESTABLISHED BY CIPE AND (B) ABOLITION OF 19 PERCENT DISCOUNT PAYABLE TO HEALTH INSURANCE AGENCIES.

2. REVISION OF PRICES IN ACCORDANCE WITH NEW METHOD IS TO BE ACCOMPLISHED BETWEEN JUNE 1 AND NOVEMBER 30, 1977.

3. REQUIREMENT OF 19 PERCENT "DISCOUNT "TO HEALTH INSURANCE AGENCIES
S
WILL BE DISCONTINUED ON MAY 31 1977.

4. DECREE-LAW RECEIVED FAVORABLY BY ITALIAN PHARMACEUTICAL MANUFACTURERS INCLUDING MOST LOCAL SUBSIDIARIES U.S. MANUFACTURERS. NEW ROUNCING METHOD, ALTHOUGH NOT IDEAL SOLUTION, CONSIDERED TO REPRESENT DEFINITE IMPROVEMENT OVER PREVIOUS SITUATION. HOWEVER PFIZER ITALIANA S.P.A., ROME, LOCAL SUBSIDIARY PFIZER INC.,
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NEW YORK, EXPRESSED STRONG CRITICISM OF NEW METHOD AND PARTICULARLY OF CRITERIA ESTABLISHED FOR VALUATION OF RAW MATERIALS. UNDER NEW REGULATIONS THE VALUE REQUIRED TO BE USED IN COMPUTATION OF RETAIL PRICES OF PHARMACEUTICALS CONTAINING RAW MATERIALS AVAILABLE IN ITALY (WHICH IS GENERALLY THE CASE) IS THE CURRENT ITALIAN MARKET PRICE OF THE RAW MATERIALS. PFIZER MAINTAINS THIS PRICE EXCEEDINGLY LOW, ESPECIALLY IN A COUNTRY LIKE ITALY, WHERE

PHARMACEUTICAL INVENTIONS ARE NOT PROTECTED. IN FACT, LOCAL MARKET PRICE REFLECTS PRICES QUOTED BY LOCAL MANUFACTURERS WHO, AS A GENERAL RULE, HAVE NOT UNDERTAKEN ANY RESEARCH AND DEVELOPMENT COSTS.

5. EMBASSY PLANNING TO DISCUSS NEW PRICING METHOD WITH LOCAL REPRESENTATIVES OF PFIZER AND OTHER US FIRMS AND WILL TAKE UP WITH GOI CONTACTS, IF NECESSARY, ANY APPROPRIATE POINTS.GARDNER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, DRUGS, AMENDMENTS, PRICE CONTROLS
Control Number: n/a
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Retention: 0
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SAS ID: 2435027
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Status: NATIVE
Subject: PHARMACEUTICAL PRICE CONTROLS RE: ROME 4532
TAGS: ECON, IT
To: STATE
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Review Markings:
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